

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:3568
ANSWERED ON:18.08.2005
INVESTMENT IN REFINERY BY ONGC
Chinta Mohan Dr. ;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Oil and Natural Gas Corporation (ONGC) proposes to invest Rs. 4,000crore in a refinery in Kakinada;
- (b) if so, the facts in this regard;
- (c) whether the ONGC is mainly entrusted with the responsibility of oil exploration and oil production in the country; and
- (d) if so, the reasons for investing in oil refining sector?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): Oil and Natural Gas Corporation Ltd.(ONGC) have entered into a Memorandum of Understanding (MOU) with Kakinada Sea Ports Ltd. (KSPL) and Infrastructure Leasing and Financial Services (IL&FS) for the development of a Port-based Special Economic Zone (SEZ) at Kakinada adjacent to the Kakinada Deep Water Port. The objective of the MOU is to boost economic and industrial growth in the Coastal region of this State through accelerated development of the SEZ at Kakinada. ONGC have proposed to make investments in an export-oriented refinery project at Kakinada.

(c) &(d): In addition to their areas of core competence, ONGC have been exploring options for the diversification of their activities by forward and backward integration. In this endeavour, ONGC have been advised to explore the feasibility of setting up of the export-oriented refinery at Kakinada through Mangalore Refinery & Petrochemicals Ltd. (MRPL), one of ONGC's subsidiaries.